

Schedule DJE-1R
REVISED

COMMONWEALTH EDISON COMPANY
 JURISDICTIONAL REVENUE REQUIREMENT - DELIVERY SERVICES
 2000 TEST YEAR
 (\$000)

	<u>Company Position</u>	<u>Adjustmts.</u>	<u>Proposed Position</u>
Distribution O&M Expense	\$ 418,573	\$ (177,713)	\$ 240,860
Customer Operations Expense	194,653	(40,132)	154,521
Administrative and General Expense	<u>200,663</u>	<u>(59,974)</u>	<u>140,689</u>
Total Operation and Maintenance	813,889	(277,818)	536,071
 Depreciation & Amortization	 299,127	 (14,259)	 284,868
 Taxes Other Than Income Taxes	 154,826	 (6,172)	 148,654
 Income Tax Expense	 169,320	 (48,115)	 121,205
Amortization of ITC's	(1,744)		(1,744)
 Return on Rate Base	 <u>406,351</u>	 <u>(79,419)</u>	 <u>326,932</u>
 Total Revenue Requirement	 1,841,769	 (425,782)	 1,415,986
 Other Revenue - Credit	 <u>54,799</u>	 <u>-</u>	 <u>54,799</u>
 Net Delivery Services Revenue Requirement	 <u>\$ 1,786,970</u>	 <u>\$ (425,782)</u>	 <u>\$ 1,361,187</u>

Sources:

Company Position - ComEd Exh. 4, Appendix C, Schedule C-1

Adjustments - Schedules DJE-2R - DJE-6R

Schedule DJE-2R
REVISEDCOMMONWEALTH EDISON COMPANY
OPERATION AND MAINTENANCE EXPENSE
(\$000)

Adjustments to Distribution Operation and Maintenance:

Tree Trimming Expense	(1)	(4,703)
Storm Damage Expense	(1)	(5,771)
Normalization of Distribution O&M	(3)	(140,543)
Merger Savings	(1)	<u>(27,487)</u>
Total Adjustments to Distribution Operation and Maintenance		(178,505)
Retail Allocation Factor		<u>99.56%</u>
Retail Adjustment		<u>(177,713)</u>

Adjustments to Customer Operations Expense:

Savings from Closing of Bill Payment Centers	(2)	(765)
Normalization Customer Records and Collection Exp.	(4)	<u>(32,731)</u>
Sub-Total Adjustments to Customer Operations		(33,496)
Uncollectible Accounts Expense	(1)	<u>(6,636)</u>
Total Adjustments to Customer Operations Expense		<u>(40,132)</u>

Adjustments to Administrative and General Expense:

Functionalization of A&G Expense	(1)	(55,924)
Incentive Compensation	(1)	(2,698)
Environmental Remediation	(1)	<u>(1,519)</u>
Total Adjustments to Administrative and General Expense:		(60,142)
Retail Allocation Factor		<u>99.72%</u>
Retail Adjustment		<u>(59,974)</u>

Sources:

- (1) Schedules DJE-2.1 through DJE-2.8
- (2) BCS-1.26
- (3) Schedule DJE-2.3R
- (4) Schedule DJE-2.3R1

Schedule DJE-2.5R
REVISEDCOMMONWEALTH EDISON COMPANY
ADJUSTMENT TO UNCOLLECTIBLE ACCOUNTS EXPENSE
(\$000)

Distribution O&M Expense	(1)	240,860
Customer Operations Expense Excluding Uncollectible Accounts	(2)	144,857
Administrative and General Expense	(1)	140,689
Depreciation & Amortization	(1)	284,868
Taxes Other Than Income Taxes	(1)	148,654
Income Tax Expense	(1)	121,205
Amortization of ITC's	(1)	(1,744)
Return on Rate Base	(1)	326,932
Other Revenue - Credit	(1)	<u>(54,799)</u>
Revenue Requirement Excluding Uncollectible Accounts		1,351,523
Uncollectible Percentage	(3)	0.71%
Uncollectible Accounts Expense		9,664
Uncollectible Accounts Expense per Company	(4)	<u>16,300</u>
Adjustment to Uncollectible Accounts Expense		<u>(6,636)</u>

Sources:

- (1) Schedule DJE-1
- (2) ComEd Cust. Ops. Expense less Uncollectible, less Adjustments
- (3) ComEd Schedule A-2.1
- (4) ComEd Schedule C-13

Schedule DJE-5R
REVISEDCOMMONWEALTH EDISON COMPANY
INCOME TAX EXPENSE
(\$000)

Total Return Requirement	(1)	8.75%	3,735,505	326,932
Interest Component	(1)	3.81%	3,735,505	<u>142,386</u>
Net Income				184,546
Adjustments:				
Investment Tax Credit Amortization	(2)			(1,744)
Effect of Flow-through Items	(3)			<u>2,051</u>
Base for Taxable Income				184,853
Gross-up Factor				<u>60.40%</u>
Taxable Income				306,058
State Income Taxes		7.08%		<u>21,669</u>
Federal Taxable Income				284,389
Federal Income Taxes		35.00%		<u>99,536</u>
Total Income Tax Expense				<u>\$121,205</u>

State Income Tax Rate	7.08%
Federal Income Tax Rate	35.00%
Combined Income Tax Rate	39.60%
Complement	60.40%

Sources:

- (1) Schedules DJE-6, DJE-7
- (2) ComEd Schedule C-1
- (3) ComEd Schedules C-3, C-3.2, Page 2; Effect of Flow Through Items
((136122-73271)*TaxRate-24078)/TaxRate

Schedule DJE-5A.R
REVISEDCOMMONWEALTH EDISON COMPANY
PROOF OF INCOME TAXES
(\$000)

Total Revenue	(1)	1,415,986
Operating Expenses Other Than Income Taxes	(1)	<u>969,593</u>
Taxable Operating Income		446,393
Interest Expense	(2)	<u>142,386</u>
Taxable Income before Flow-Through Items		304,007
Adjustment for Flow-Through Items	(2)	<u>2,051</u>
Taxable Income		306,058
State Income Tax Expense	7.08%	<u>21,669</u>
Federal Taxable Income		284,389
Federal Income Tax Expense	35.00%	<u>99,536</u>
Total Income Tax Expense		<u>121,205</u>

Sources:

- (1) Schedule DJE-1
- (2) Schedule DJE-5

Schedule DJE-6R
REVISEDCOMMONWEALTH EDISON COMPANY
RETURN ON RATE BASE
(\$000)

	<u>Company Position</u>	<u>Adjustmts.</u>	<u>Proposed Position</u>
Distribution Plant in Service	\$ 8,370,615	(10,999)	\$8,359,616
General Plant in Service	<u>850,351</u>	<u>(420,857)</u>	<u>429,494</u>
Total Plant in Service	9,220,966	(431,856)	8,789,110
Accum. Deprec. - Distribution Plant	(3,821,634)	(89,906)	(3,911,540)
Accum. Deprec. - General Plant	<u>(224,207)</u>	<u>114,563</u>	<u>(109,644)</u>
Total Accumulated Depreciation	(4,045,841)	24,657	(4,021,184)
Net Plant in Service	5,175,125	(407,198)	4,767,927
Materials and Supplies	36,479		36,479
Construction Work in Progress	20,813		20,813
Regulatory Assets	6,161		6,161
Accumulated Deferred Income Taxes	(765,927)	(42,809)	(808,736)
Customer Deposits	(17,856)		(17,856)
Customer Advances	(325)		(325)
Other Deferred Credits	(9,820)		(9,820)
Pre-1971 Investment Tax Credits	(254)		(254)
Operating Reserves	<u>(360,469)</u>	<u>101,585</u>	<u>(258,884)</u>
Total Rate Base	\$ 4,083,927	\$ (348,422)	\$3,735,505
Rate of Return	9.95%		8.75%
Return on Rate Base	<u>\$ 406,351</u>	<u>\$ (79,419)</u>	<u>\$ 326,932</u>

Sources:

Company Position - ComEd Exh. 4, Appendix C, Schedule B-1

Adjustments - Schedules DJE-6.1 - DJE-6.4

Rate of Return - Schedule DJE-7

Schedule DJE-7R
REVISEDCOMMONWEALTH EDISON COMPANY
RATE OF RETURN
(\$000)Company Position

	<u>Percent</u>	<u>Cost Rate</u>	<u>Weighted Cost</u>
Long Term Debt	53.99%	7.14%	3.86%
Common Equity	<u>46.01%</u>	13.25%	<u>6.10%</u>
Total	<u>100.00%</u>		<u>9.95%</u>

Proposed Position

	<u>Percent</u>	<u>Cost Rate</u>	<u>Weighted Cost</u>
Long Term Debt	55.89%	6.82%	3.81%
Common Equity	<u>44.11%</u>	11.20%	<u>4.94%</u>
Total	<u>100.00%</u>		<u>8.75%</u>

Sources:

Company Position: ComEd Schedule Exhibit FIN-1, Schedule 11.1

Proposed Position: City of Chicago Witness Walter

Schedule DJE-10

REVISED

COMMONWEALTH EDISON COMPANY
EFFECT OF CAPITAL ADDITIONS ON RATES
(\$000)

	<u>TY</u>	<u>Plant Adds</u>	<u>TY+1</u>
Distribution Plant in Service	8,370,615	400,000	8,770,615
Accum. Deprec. - Distribution Plant	<u>(3,821,634)</u>	<u>(274,614)</u>	<u>(4,096,248)</u>
Net Distribution Plant	4,548,981	125,386	4,674,367
Pre-Tax Rate of Return	<u>11.99%</u>	<u>11.99%</u>	<u>11.99%</u>
Revenue Requirement	545,482	15,035	560,518
Depreciation on Distribution Plant	269,521	10,187	279,708
Operation and Maintenance Expense	<u>613,226</u>	<u>-</u>	<u>613,226</u>
Revenue Requirement for Cost Elements	1,428,229	25,222	1,453,451
Sales - MWH	85,000,000		
Rate per KWH for Cost Elements	0.016803		

	<u>Growth Rate</u>	<u>Sales</u>	<u>Revenue</u>	<u>Expense Change Absorbed</u>
	1.0%	85,850,000	1,442,511	(10,940)
	2.0%	86,700,000	1,456,794	3,342
	2.6%	87,210,000	1,465,363	11,912

Sources: Schedule DJE-1R for TY costs